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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
TUSAYAN WATER DEVELOPMENT
ASSOCIATION, INC. FOR ESTABLISHMENT
OF RATES FOR WATER SERVICE.

DOCKET NO. W-02350A-10-0163

IN THE MATTER OF THE APPLICATION OF
ANASAZI WATER CO., LLC FOR
ADJUDICATION "NOT A PUBLIC SERVICE
CORPORATION."

DOCKET NO. W-20765A-10-0432

IN THE MATTER OF THE APPLICATION OF
HYDRO-RESOURCES, INC. FOR
ADJUDICATION "NOT A PUBLIC SERVICE
CORPORATION."

DOCKET NO. W-20770A-10-0473

IN THE MATTER OF THE APPLICATION OF
TUSAYAN WATER DEVELOPMENT
ASSOCIATION, INC. FOR CANCELLATION OF
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-02350A-13-0312

IN THE MATTER OF THE APPLICATION OF
HYDRO-RESOURCES, INC. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER SERVICE.

DOCKET NO. W-20770A-13-0313

PROCEDURAL ORDER**BY THE COMMISSION:**

On April 29, 2010, Tusayan Water Development Association, Inc. ("Tusayan") filed with the Arizona Corporation Commission ("Commission"), in Docket No. W-02350A-10-0163 ("Tusayan Docket"), a rate application using a test year ending December 31, 2009.

Since that time, through a series of events more fully described in prior Procedural Orders, processing of Tusayan's rate application has been suspended; Tusayan has been deemed to have filed an adjudication application; the Tusayan Docket has been consolidated with the docket for an adjudication application filed by Anasazi Water Company, LLC ("Anasazi"), Docket No. W-20765A-10-0432 ("Anasazi Docket"), and the docket for an adjudication application filed by Hydro-Resources, Inc. ("Hydro"), Docket No. W-20770A-10-0473 ("Hydro Docket"); and numerous

1 procedural conferences have been held. Additionally, intervention has been granted to Tusayan
2 Ventures, LLC ("T Ventures"), the Town of Tusayan ("Town"), and Squire Motor Inns, Incorporated
3 ("Squire").

4 In August 2013, Tusayan, Anasazi, Hydro, the Town, Squire, and the Commission's Utilities
5 Division ("Staff") entered into a Settlement Agreement designed to resolve the parties' differences
6 and unify the provision of water utility service in the Town.¹ Under the Settlement Agreement,
7 Hydro agreed to apply for a Certificate of Convenience and Necessity ("CC&N") to become the
8 water utility service provider for the area currently included within Tusayan's CC&N service area,
9 and Tusayan agreed to apply for cancellation of its CC&N. In addition, a number of property
10 transfers were resolved through a separate agreement.

11 On September 12, 2013, Hydro filed a CC&N application in Docket No. W-20770A-13-0313
12 ("CC&N Docket"). On the same date, Tusayan filed an application for CC&N cancellation in Docket
13 No. W-02350A-13-0312 ("Cancellation Docket"). Pursuant to requests from Tusayan, Hydro, and
14 Anasazi, the CC&N Docket and the Cancellation Docket were consolidated with the Tusayan Docket,
15 Anasazi Docket, and Hydro Docket on September 25, 2013.

16 Staff filed a Sufficiency Letter for Tusayan's application for CC&N cancellation on October
17 11, 2013, and filed a Sufficiency Letter for Hydro's CC&N application on December 16, 2013.

18 On December 20, 2013, a Procedural Order was issued scheduling a procedural conference to
19 be held on February 3, 2013, and requiring the parties to file, either jointly or separately, prior to the
20 procedural conference, proposed procedural schedules; proposed forms of notice; and a list
21 identifying, at least by descriptive group, those persons to whom notice should be provided and in
22 what manner.

23 On January 29, 2014, the parties made a joint filing setting forth a proposed procedural
24 schedule, including a proposed form of notice, and describing the persons to whom notice should be
25 provided and the proposed manner of providing such notice. The proposed procedural schedule was
26 as follows:

27
28 ¹ T Ventures has not entered into the Settlement Agreement.

1	Staff's Report on the Settlement Agreement/Applications	March 14, 2014
2	Pre-filed Direct Testimony by Applicants and Intervenors	April 14, 2014
3	Pre-filed Responsive Testimony by Parties	May 14, 2014
4	One Day Evidentiary Hearing	May/June 2014
5	Post-Hearing Briefing (if necessary)	Approximately
6		four weeks after
		close of hearing

7 On February 3, 2014, the procedural conference was held as scheduled, with all parties other
8 than T Ventures² appearing through counsel. During the procedural conference, Tusayan agreed to
9 make a filing clarifying the service status, service history, and proposal as to CC&N service area
10 inclusion for two small parcels that are not contiguous to the rest of Tusayan's CC&N service area
11 and that reportedly have not received service in recent times.³ The parties were informed that the
12 form of notice to be used would be included in a Procedural Order, and procedural dates were
13 determined for the provision of notice, intervention, and the hearing. The parties were also informed
14 that the CC&N time frames would be suspended for this matter, due to the proposed schedule.

15 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall be held
16 on **June 4, 2014, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's office, 1200
17 West Washington St., Hearing Room No. 2, Phoenix, Arizona 85007.

18 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
19 105, except that all motions to intervene must be filed on or before **March 24, 2014**.

20 IT IS FURTHER ORDERED that **objections to intervention** shall be filed on or before
21 **March 31, 2014**.

22 IT IS FURTHER ORDERED that Tusayan, Hydro, and Anasazi shall ensure that public
23 notice of the hearing in this matter is provided in the following form and style, with the heading in no
24 less than 12-point bold type and the body in no less than 10-point regular type:

27 ² T Ventures provided telephonic notice that its counsel was unexpectedly unable to attend.

28 ³ Tusayan will include this information in its Direct Testimony, and is encouraged to make a filing sooner to provide the information.

**PUBLIC NOTICE OF HEARING ON
THE APPLICATION OF HYDRO-RESOURCES, INC. FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY ("CC&N") TO PROVIDE WATER SERVICE IN THE
TOWN OF TUSAYAN; THE APPLICATION OF TUSAYAN WATER DEVELOPMENT
ASSOCIATION, INC. TO CANCEL ITS EXISTING CC&N TO PROVIDE WATER
SERVICE IN THE TOWN OF TUSAYAN; & OTHER CONSOLIDATED MATTERS.
DOCKET NOS. W-02350A-10-0163 ET AL.**

Summary

This case began with a rate application filed by Tusayan Water Development Association, Inc. ("TWDA"), the current holder of a CC&N to provide water utility service in the Town of Tusayan. The case was then broadened to include requests for adjudication of public service corporation status for TWDA; Anasazi Water Co., LLC ("Anasazi"); and Hydro-Resources, Inc. ("Hydro"). Also, intervenor status was granted to the Town of Tusayan ("Town"); Squire Motor Inns, Incorporated ("Squire"); and Tusayan Ventures, LLC ("T Ventures").

On August 12, 2013, a Settlement Agreement was executed establishing a plan for Hydro to become the sole provider of water utility service in the Town of Tusayan by obtaining a CC&N for the area currently served by TWDA. Other than T Ventures, all of the parties to this case, including the Commission's Utilities Division ("Staff"), have entered into the Settlement Agreement.

As a result of the Settlement Agreement, Hydro has filed an application for a CC&N to provide water utility service in the Town, and TWDA has filed an application for cancellation of its CC&N. These CC&N-related applications have been consolidated with the pre-existing case, and all of the consolidated matters will be considered in a single hearing and should be resolved by the Commission in a single decision.

If the CC&N-related applications of Hydro and TWDA are granted, Hydro would become the exclusive provider of water utility service within the requested service area and would be required to provide service on the terms and conditions, and using the rates and charges, established by the Commission.

The Commission is not bound by the Settlement Agreement or by the proposals made by TWDA, Hydro, Anasazi, Staff, or any intervenor. The Commission will issue a decision regarding this case after consideration of testimony and evidence presented at an evidentiary hearing.

How to View the Parties' Filings

Copies of the applications filed by Hydro, TWDA, and Anasazi are available for inspection during regular business hours at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, AZ 85007; at Hydro's offices at 549 Camper Village, Grand Canyon, AZ 86023; and at TWDA's offices at Canyon Plaza, Highway 64, Grand Canyon, AZ 86023. All of the parties' filings in this consolidated matter are also available via the Commission's website (www.azcc.gov) using the e-Docket function located at the bottom of the main page.

Public Hearing

The Commission will hold a **hearing** on this matter on **June 4, 2014, at 10:00 a.m.**, or as soon thereafter as is practical, in Hearing Room No. 2 at the Commission's offices, 1200 West Washington St., Phoenix, AZ 85007. Public comments will be taken on the first day of the hearing.

How Interested Persons May Participate

An interested person may participate in this matter by (1) providing written or oral public comment, or (2) filing for intervention and becoming a formal party to the proceeding. Written public comments must refer to **Docket Nos. W-02350A-10-0163 et al.** and may be submitted at any time as follows:

By Mail: Arizona Corporation Commission
Consumer Services Section
1200 West Washington Street
Phoenix, AZ 85007

On the Website: www.azcc.gov using the link "To Submit a Comment on an Issue," located near the bottom of the main page

Anyone requiring assistance may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

About Intervention

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. The granting of intervention entitles a person to participate as a party by presenting sworn testimony and evidence and cross-examining witnesses. Anyone wishing to intervene must file an original and 13 copies of a written motion to intervene with the Commission's Docket Control Center no later than **March 24, 2014**, and must send a copy of the motion to each of the parties to this matter or their counsel. Contact information for the parties is available using the eDocket function and Docket No. W-02350A-10-0163.

Each motion to intervene must contain the following:

1. The name, address, and telephone number of the person requesting intervention and of any person upon whom service of documents is to be made, if not the same person;
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of TWDA, an owner of property in the Town, etc.);
3. A statement certifying that a copy of the motion to intervene has been mailed to the parties of record in the case or their counsel; and
4. If the proposed intervenor is not represented by an attorney who is an active member of the Arizona State Bar, and is not an individual representing himself or herself, information and any appropriate documentation demonstrating compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before March 24, 2014. Persons who do not intervene will receive no further notice of the proceedings in this docket. However, **all documents filed in the docket are available online** (usually within 24 hours after docketing) through the eDocket function on the Commission's website.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its proceedings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, and may request this document in an alternative format, by contacting ADA Coordinator Shaylin Bernal, at SBernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

1 IT IS FURTHER ORDERED that, by **February 24, 2014**, Tusayan, Hydro, and Anasazi shall
2 **provide the above notice** in the following manner:

- 3 1. By sending the notice to all current customers of Tusayan, by First Class U.S. Mail;
- 4 2. By sending the notice to all of the current owners of the approximately 46 tax parcels
5 located within Hydro's proposed CC&N service area, by First Class U.S. Mail;
- 6 3. By having the notice posted at the Town Hall and prominently on the Town's website; and
- 7 4. By having the notice published at least once in the *Williams Grand Canyon News*.

8 IT IS FURTHER ORDERED that Tusayan, Hydro, and Anasazi shall file **certification of**
9 **mailing and publication** as soon as practicable after the mailing and publication have been
10 completed, but no later than **March 14, 2014**.

11 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
12 publication, notwithstanding the failure of an individual customer to read or receive the notice.

13 IT IS FURTHER ORDERED that Staff shall, on or before **March 14, 2014**, file a **Staff**
14 **Report or Direct Testimony** and associated exhibits to be presented at hearing.

15 IT IS FURTHER ORDERED that each **Applicant and Intervenor** shall, on or before **April**
16 **14, 2014**, file **Direct Testimony** and associated exhibits to be presented at hearing.

17 IT IS FURTHER ORDERED that **each party** shall, on or before **May 14, 2014**, file
18 **Responsive Testimony** and associated exhibits to be presented at hearing.

19 IT IS FURTHER ORDERED that the Commission's **time frames** for the CC&N-related
20 applications in this consolidated matter are hereby **suspended**.

21 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
22 Communications) applies to this proceeding as the matter is now set for public hearing.

23 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
24 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

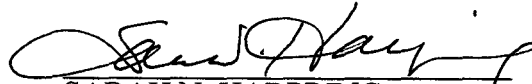
25 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
26 31, 38, and 42 with respect to practice of law and admission *pro hac vice*.

27 ...

28 ...

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 4th day of February, 2014.


SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 4th day of February, 2014, to:

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